

County of Los Angeles  
**DEPARTMENT OF PUBLIC SOCIAL SERVICES**

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PHILIP L. BROWNING  
Director

SHERYL L. SPILLER  
Chief Deputy



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October 7, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO AUTHORIZE TERMINATION OF SYSTEM MAINTENANCE  
AND OPERATIONAL SUPPORT SERVICES CONTRACT NUMBER 67009  
WITH ELECTRONIC DATA SYSTEMS CORPORATION FOR  
GAIN EMPLOYMENT ACTIVITY AND REPORTING SYSTEM  
(ALL DISTRICTS AFFECTED) (3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ( )  
DISAPPROVE ( )**

**SUBJECT**

This is a recommendation for your Board to delegate authority to the Director, Department of Public Social Services (DPSS), to terminate for convenience the Agreement Number 67009 between the County of Los Angeles and Electronic Data Systems Corporation (EDS) for System Maintenance and Operational Support Services utilized for the Greater Avenues for Independence (GAIN) Employment Activity and Reporting System (GEARS). GEARS is the existing System that supports and automates the Los Angeles County's (County) case management and administration of the CalWORKs Welfare-to-Work (WtW) program.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Delegate authority to the Director of DPSS to provide written notice to EDS to terminate for convenience the GEARS System Maintenance and Operational Support Services Contract Number 67009 in accordance with the provisions of the Agreement.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The County currently operates two Agreements with EDS to provide GEARS Services:

1. A new Agreement Number 76637, approved by the Board of Supervisors on July 15, 2008 that contains an initial 90-day period for System improvements, later to be followed by System Maintenance and Operational Support Services; and
2. The existing Agreement Number 67009, in place since 1993, which provides only System Maintenance and Operational Support Services.

System Maintenance and Operational Support Services will not begin in the new Agreement until the Deliverables required during the 90-day transition period (July 15, 2008 to October 15, 2008) have been completed and accepted by County. After completion of these systems improvements, System Maintenance and Operational Support Services under the new Agreement will begin on October 16, 2008. As a result, the existing Agreement will be terminated. This will be achieved by utilizing the Termination for Convenience Agreement provision. EDS is in agreement with the Termination for Convenience process.

### **Background**

DPSS was directed by the California Department of Social Services Office of System Integration Branch to include the GEARS System into the LEADER Replacement System (LRS), based on compliance with Welfare and Institutions Code 10823(a)(1). The County, with State approval, then negotiated only System Maintenance and Operational Support Services with EDS. The new Agreement contains an initial 90-day transition period, where EDS will provide equipment upgrades, install improved network connectivity, update disaster recovery services and provide other System improvements. During the transition period, the System Maintenance and Operational Support Services for GEARS continue to be provided by the existing Agreement Number 67009. System Maintenance and Operational Support Services will not begin in the new Agreement until the System improvement deliverables required during the 90-day transition period have been completed by EDS and accepted by County. After completion of the 90-day phase for System improvements, the County will terminate the existing Agreement Number 67009. All System Maintenance and Operational Support Services will then be provided by the new Agreement Number 76637.

### **Implementation of Strategic Plans Goals**

Termination of this Agreement is consistent with the principles of the Countywide Strategic Plan Goal Number 3 (Organizational Effectiveness), by ensuring that GEARS remains an efficient, effective and goal-oriented service delivery system and Goal Number 4 (Fiscal Responsibility) by strengthening County's fiscal capability.

### **FISCAL IMPACT/FINANCING**

The new Agreement's System Maintenance and Operational Support Services costs are \$545,833 per month and existing System Maintenance and Operational Support Services costs are \$588,681. Termination of the existing Agreement results in a cost savings of \$42,848 per month or approximately \$514,176 on an annual basis. Funding required for Fiscal Year (FY) 2008-2009 of the Agreement is included in DPSS' proposed annual budget.

Funding for this Agreement is included in the CalWORKs single allocation and is financed 100% with State funds. As the CalWORKs Maintenance of Effort requirement has already been (or will be) met by County, there will be no Net County Cost for FY 2008-2009.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The new GEARS Agreement was approved by your Board on July 15, 2008. The Contractor is in compliance with all Board and Chief Executive Officer requirements. EDS is in agreement with the Termination for Convenience for Agreement Number 67009.

The Board letter has been reviewed and approved as to form by County Counsel.

### **IMPACT ON CURRENT SERVICES**

GEARS is an essential automated System that supports the CalWORKs WtW program. The new GEARS Agreement will provide continued System Maintenance and Operational Support Services and will ensure that critical services will be maintained through the term of the Agreement or until LRS is fully implemented. Termination of the existing Agreement does not impact services and results in a cost savings to County.

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**CONCLUSION**

Upon approval and execution, the Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter to the Director of the Department of Public Social Services.

Respectfully submitted,



Philip L. Browning  
Director

Reviewed by:



Richard Sanchez  
Acting Chief Information Officer

PLB:ph

Attachment

c: County Counsel  
Chief Executive Officer

# CIO ANALYSIS

## AGREEMENT WITH ELECTRONIC DATA SYSTEMS CORPORATION FOR MAINTENANCE AND OPERATIONAL SUPPORT SERVICES AND MODIFICATIONS AND/OR ENHANCEMENTS FOR GAIN EMPLOYEMENT ACITIVITY AND REPORTING SYSTEM (GEARS)

CIO RECOMMENDATION:      ☒ APPROVE      ☐ APPROVE WITH MODIFICATION  
    ☐ DISAPPROVE

**Contract Type:**

☐ New Contract      ☐ Contract Amendment      ☒ Contract Termination  
☐ Sole Source Contract      ☐ Hardware Acquisition      ☐ Other

New/Revised Contract Term:      Base Term: 15 Years      # of Option Years: 0

**Contract Components:**

☐ Software      ☐ Hardware      ☐ Telecommunications  
☒ Professional Services

**Project Executive Sponsor:** Michael Sylvester, Assistant Director, Bureau of Contract and Technical Services

**Budget Information :**

Y-T-D Contract Expenditures	\$	0
Requested Contract Amount	\$	N/A
Aggregate Contract Amount	\$	N/A

**Project Background:**

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project legislatively mandated? GEARS is a requirement of California's Welfare-to-Work (WtW) program.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project subvented? If yes, what percentage is offset? 100% funded by the State of California.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved.

**Strategic Alignment:**

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan? This Agreement ensures that GEARS remains an efficient and effective welfare service delivery system.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document? GEARS provides DPSS with the capability to conduct services electronically.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

### **Project/Contract Description:**

The Department of Public Social Services (DPSS) is seeking your Board's authorization to terminate for convenience Agreement Number 67009 with Electronic Data Systems Corporation (EDS) for (a) Project Management Services, (b) System and Data Center Services, (c) System Maintenance and Operational (M&O) Support Services, (d) Modifications and/or Enhancements (M&E) and (e) related Professional and Additional Services.

### **Background:**

GEARS is the computer system that supports and automates the County's case management and administration of the California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare-to-Work (WtW) program. GEARs performs business processes that support case assignment, case management, scheduling and tracking of work experience referrals, post-employment services, and supplemental and supportive services. Agreement Number 67009 expires November 30, 2008.

### **Project Justification/Benefits:**

In 2007, the Department released a Request For Proposals (RFP) for continued operation of GEARs. EDS was the only responding vendor to the RFP and a new Agreement was negotiated with EDS. This Agreement was approved by your Board on July 15, 2008. The new Agreement contains an initial ninety (90) day transition period where EDS will provide equipment upgrades, install improved network connectivity, update disaster recovery and provide other system improvements. During this ninety (90) day period, the M&O Support Services are provided in the existing Agreement. Currently the Department operates two (2) Agreements with EDS to provide GEARs services.

EDS will complete the system enhancements for increased reliability, improved system performance, and more effective disaster recovery as noted below:

- New hardware, network, web production services and web reporting servers:
  - Installations were completed on August 18, 2008.
  - System test was conducted and approved on August 29, 2008.
  - Final User Acceptance Testing (UAT) was completed on September 14, 2008.
  - Go-live was completed on September 15, 2008.
- Disaster Recovery (DR) with the new DR environments:
  - Testing scheduled to be completed on September 30, 2008.
  - Go-live is scheduled for October 15, 2008.
- Improved intrusion detection system, performance metric tools, web reporting storage encryption and backup storage systems:
  - Implementation is scheduled for October 14, 2008.

After completion of these system improvements, the Department will begin M&O Support Services under the new Agreement on October 16, 2008, and the existing Agreement Number 67009 will be terminated.

### **Project Metrics:**

Fixed price deliverables were monitored by the Department.

**Impact On Service Delivery Or Department Operations, If Request Is Not Approved:**

The Department will be paying the existing Agreement's M&O costs of \$588,681 per month rather than the new Agreement's M&O costs of \$545,833 per month; or overpaying M&O costs of \$42,848 per month.

**Alternatives Considered:**

No other alternatives were considered.

**Project Risks:**

Not applicable.

**Risk Mitigation Measures:**

Not applicable.

**Financial Analysis:**

The existing Agreement's M&O costs are \$588,681 per month and the new Agreement's M&O costs are \$545,833 per month. Termination of the existing Agreement results in a cost savings of \$42,848 per month.

**CIO Concerns:**

None.

**CIO Recommendations:**

The Chief Information Office supports this action and recommends approval by your Board.

**CIO APPROVAL**

Date Received: 9/23/08

Prepared by: James Hall

Date: 9/24/08

Approved: 

Date: 9-24-08